

**WHCOA Topic Areas: Health and Long Term Living**  
**Issue: Long Term Care and Medicaid**

**Overview of Current Issue Status:** Medicaid is the nation's major public health insurance program and the primary public funding source of long-term care services for over 13 million older adults and people with disabilities. Medicaid long-term care services account for more than 40% of all national long-term care expenditures and 60% of all nursing home care. Further, today's seniors and baby boomers will live longer than ever, thus the need for long-term care planning will be critical to insure the health and quality of life for future generations.

**Challenges:** Medicaid's long-term care expenditures are still predominantly targeted to institutional care, despite a 2000 study by the Assistant Secretary for Planning and Evaluation at the US Department of Health and Human Services that found Medicaid could provide home and community-based services to five individuals for the same cost as nursing home care to one individual. Americans prefer to remain in their own homes and communities but current Medicaid policy still requires "special permission" for care at home, leading states to request a waiver of Medicaid requirements in order to provide home and community-based services. **We will have achieved true reform in Medicaid when the standard of care is to provide services at home or in community settings and a waiver is needed for nursing home care.** Finally, not all states have spousal impoverishment protections for home and community-based and personal care, placing spouses who care for their loved one at home at risk of poverty.

**Resolution:**

Reform Medicaid to end the institutional bias which forces older persons out of their homes, expand home and community based service programs for older persons and their caregivers, remove barriers that inhibit consumer choice, control, autonomy and independence, provide additional federal resources to leverage increased state, local and private resources.

**Reform Medicaid at the fundamental level to develop a system of care that provides consumers access to services in a home or community environment, and requires a special waiver for care in institutional settings.**

Retain protections for access to health and long-term care services for all eligible low-income seniors and persons with disabilities, and guarantee consumer and spousal impoverishment protections.

Preserve the open-ended federal match funding structure that allows Medicaid to be responsive to fluctuations in the economy and state-specific changes in health care needs.

Advance the Olmstead decision to facilitate consumers' access to the most appropriate services in the least restrictive environment, and the commitment made by the President

in the “New Freedom Initiative” to rebalance Medicaid long-term care primarily through the expanded availability of home and community-based services.

Educate the public about long-term planning options and provide incentives like tax credits for purchasing Long Term Care insurance.